

How the Great American AI Act Harms Workers, Children, and Civil Rights

Overview

Led by Reps. Obernolte (R-CA) and Trahan (D-MA), the Great American AI Act (GAAIA) preempts state and local laws regulating AI model "**development**" while preserving state authority over "**deployment**." While this bifurcation of state and federal jurisdiction has some intuitive appeal, it breaks down under scrutiny and threatens to nullify a wide range of state laws protecting workers, children, creatives, vulnerable groups, consumers, and the public at large.

What are Developers and Deployers?

A **developer** designs, trains, or substantially modifies an AI model, controlling training data, fine-tuning, and safety techniques. All core safety work happens here — fixing a biased or dangerous model can **only** be made at this layer. A **deployer** takes a developed model and makes it accessible to end users through an application or API. Deployers have **no access** to training data or model weights, which means they cannot make the underlying safety changes meaningful compliance requires.

The Impact of Preempting State Model Development Laws

Developers cannot fully explain why their models produce specific outputs; for this reason, AI models post-development are often described as a “black box.” That’s because these systems are algorithmically trained on voluminous data in ways that are often inscrutable to their own designers. When a harm occurs, the training and development record is often the only evidence available to determine what went wrong. **Developers are the only actors in the supply chain that have access to training data and training methods – so development-level regulation is the only way to address many labor violations, civil rights, kids’ safety, copyright, and frontier risks.**

Bottom Line

ARI would never oppose a thoughtful federal framework on AI simply because it does not go as far as we would prefer – we often celebrate incremental progress. **But the value of a federal framework – especially one that contains no substantive**

requirements for model safety – cannot be used as an excuse to tie the hands of state and local governments. This bill takes the current *floor* on state AI legislation and turns it into a federal *ceiling*, preventing state lawmakers from addressing emerging harms in an era of fast-moving technology. Over the past two decades, state lawmakers have proven to be a backstop for tech accountability — fighting for families even as Congress has stalled. **Tying their hands would be a generational mistake.**

Consequences of Preemption on Model Development Laws

If preemption of model development laws occurs, it will have cascading impacts on the following:

Civil Rights: Algorithmic discrimination cannot be patched at the application layer, and it often cannot be proven without access to the development layer. Most AI systems are not deliberately designed to discriminate, making traditional intentional discrimination standards impossible to meet. The only evidence that an algorithm has treated people differently based on race, gender, or disability lives in records only developers control.

Labor Laws: States are the primary line of defense for workers around algorithmic hiring decisions and automated wage manipulation. These protections inevitably reach the development layer: you cannot fix a model that suppresses wages or terminates workers without intervening in how it was trained. States could prevent employers from using AI at all in the employment context, but that is a blunt, unlikely intervention.

Kids' Safety: Many state laws have been passed that target the design of social media platforms and AI chatbots, either requiring algorithms not be designed to addict children, and chatbots not be capable of encouraging self-harm or suicide. The same is true for CSAM and non-consensual intimate imagery. These are development-level requirements by definition: the only way to comply is to train the model differently and integrate safety changes.

Creatives: States have passed laws protecting artists and creators from having their voices, likenesses, and creative work replicated without consent. These protections are development-level: the only way to prevent a model from replicating a creator is to train it not to, or to remove that artist's data from the training dataset entirely.

Frontier Risk: Preempting model development regulation removes the only layer where risk mitigation for AI models happens. State transparency and auditing laws such as California's SB 53, New York's RAISE Act, and Illinois's SB 315 are development-level laws by necessity, because only developers have access to the relevant information.